Tucson Electric Power | UNS Electric, Inc.

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January 22, 2021

RE: In the Matter of Possible Modifications to the Arizona Corporation Commission's Energy Rules, Docket No. RU-00000A-18-0284.

Tucson Electric Power Company ("TEP"), and UNS Electric, Inc. ("UNSE") (collectively "Companies") are providing comments in response to the Commission's Notice of Proposed Rulemaking related to *Possible Modifications to the Arizona Corporation Commission's Energy Rules*, ("Energy Rules") dated December 1, 2020[1]. The Companies appreciate the significant efforts taken by the Commissioners, Staff, and all the stakeholders in developing the comprehensive set of Energy Rules currently being considered.

The Companies remain very supportive of the Energy Rules as amended and approved by the Arizona Corporation Commission on November 13, 2020. As the Companies have stated on several occasions, we believe these Energy Rules provide a flexible glide path for advancing clean energy policy for Arizona. The Energy Rules are fair, balanced, and achievable, and closely align with TEP's and UNS Electric's 2020 Integrated Resource Plans.

The Companies are providing minor, non-substantive changes to the Energy Rules (below and in the accompanied redline **Exhibit 1**) that serve to clarify language and align timing of Energy Rule plans.

Set forth below is an overview of the Companies' proposed changes to the proposed Energy Rules.

I. Minor Changes to Clarify Language

A. Carbon Emissions

For consistency, the Companies propose a modification to the definition for "Baseline Carbon Emissions Level" which incorporates existing language from Section R14-2-2704.E. The Companies note that retail sales are served from generation resources that also include market purchases. The Companies also propose clarifying language for the "Carbon Emissions" definition.

As a result, the Companies are proposing the following modifications to the Article below[2] in addition to other clarifying language as indicated in **Exhibit 1**.

[1] https://docket.images.azcc.gov/E000010319.pdf?i=1609882660588

[2] Conforming changes are identified in the attached redline of the Draft Rules (**Exhibit 1**).

ACC - Docket Control - Received 1/22/2021 3:22 PM
ACC - Docket Control - Docketed 1/22/2021 3:51 PM

R14-2-2701. Definitions

8. "Baseline Carbon Emissions Level" means a Utility's annual gross Carbon Emissions ~~directly~~ associated with energy ~~produced~~ from all ~~Generating Units~~ resources including market purchases used to serve ~~its~~ retail kWh sales, during the consecutive three-calendar-year period of 2016 to 2018, expressed in metric tons.

13. "Carbon Emissions" means carbon dioxide emissions resulting from the combustion of fossil fuels, such as coal, petroleum, natural gas, oil, shale, and bitumen, in a Generating Unit, expressed in metric tons.

Moreover, in response to comments[3] made in this docket that suggested the draft rules should be substantially modified to include a pre-defined methodology for establishing the Baseline Carbon Emissions Level, including processes for annual reporting, the Companies disagree. The Companies note that Sections R14-2-2704.E through M provides an extensive process to review, establish, and verify the methodology for determining the Baseline Carbon Emissions Level, in addition to the methodology to determine compliance annually under the emissions reduction goal. In particular, per section R14-2-2704.I, there is a 120-day timeframe during which stakeholders can comment, and the Commission can determine, the methodology for measuring the Baseline Carbon Emissions Level. In addition, R14-2-2704.J through M then requires third party verification of the utility's Carbon Emissions. Therefore, the Companies do not believe it is necessary to further define the Baseline Carbon Emissions Level or carbon emissions reporting requirements within the Energy Rules.

R14-2-2710. Electric Utility Annual Reporting Requirements

5. The total Carbon Emissions disaggregated by all ~~Generating Units~~ portfolio resources used to serve ~~its~~ the Electric Utility's retail kWh sales, expressed in metric tons;

B. All Source Request For Information" ("ASRFI")

In previous versions of the Energy Rules, a segment of rules pertaining to the "All Source Request For Proposal" ("ASRFP") was revised as "All Source Request For Information" ("ASRFI"), and as such, a Request for Information does not result in acquiring bids but, alternatively, results in acquiring information.

R14-2-2707. All Source Request for Information

1. Designed to obtain ~~bids~~ information from numerous and diverse vendors of Supply-Side Resources and Demand-Side Resources that may be able to meet all or any part

[3] https://docket.images.azcc.gov/E000011252.pdf?i=1611172966985

of the Load-Serving Entity's Load Forecast and Needs Assessment approved under R14-2-2706;

9. Designed to provide notice to ~~bidders~~ vendors that RPAC members will be able to review the ~~bids~~ information resulting from the ASRFI.

R14-2-2708. ASRFI Process; Integrated Resource Plan Approval

B. After the ASRFI submission deadline has passed, a Load-Serving Entity shall:

1. Review and consider ~~each bid~~ information submitted to satisfy all or any part of the Load-Serving Entity's approved Load Forecast and Needs Assessment, taking into account the provisions of subsection (C);

II. Minor Changes to Align Timing

The Companies propose that the Integrated Resource Plan be filed together with the Clean Energy Implementation Plan, and then have both items approved together at the same time. The IRP provides the basis for the Clean Energy Implementation Plan and it would not make sense to approve one but not the other. Moreover, aligning these two plans would provide Staff with additional time for review and to conduct workshops, while extending the final Commission approval out beyond the month of December to January, to avoid the constraints of the year-end holiday schedule as reflected in the table below.

This would mean the IRP, together with the Clean Energy Implementation Plan, would be filed April 1, 2023, with the Commission approval occurring by February 1, 2024. This time line would re-occur every three years as indicated in the rules.

Energy Rules Proposed Revised Timeline

R14-2-2706.	**Load Forecast and Needs Assessment Approval**	**Days**
8/1/2021	LSE files Load Forecast & Needs Assessment	
11/1/2021	Staff review and hold workshop of Load Forecast & Needs Assessment	92
1/1/2022	Staff file memo and proposed order on Load Forecast & Needs Assessment	61
3/1/2022	Commission Open Meeting on Load Forecast & Needs Assessment	59
R14-2-2710.	**Electric Utility Annual Reporting Requirements**	
4/1/2022	Clean Energy Compliance Filing	Annual Filing
4/1/2022	Supply-Side Resource Data Filing	Annual Filing
4/1/2022	Demand-Side Resource Data Filing	Annual Filing
R14-2-2704.	**Clean Energy Implementation Plan**	
4/1/2023	LSE will file a Clean Energy Implementation Plan (CEIP)	
12/1/2023	Staff file memo and proposed order on the CEIP	244
2/1/2024	Commission Open Meeting on CEIP	62
R14-2-2708.	**Integrated Resource Plan Approval**	
4/1/2023	LSE files refined IRP	
10/1/2023	Staff review and hold workshop on refined IRP	183
12/1/2023	Staff file memo and proposed order on refined IRP	61
2/1/2024	Commission Open Meeting on refined IRP	62
R14-2-2710.	**Electric Utility Annual Reporting Requirements**	
5/1/2024	Procurement Activity Report	Annual Filing

As a result, the Companies are proposing the above date modifications to the Article as reflected in **Exhibit 1**.

The Companies also propose that the Electric Utility Annual Report remains due on April 1 of each year, as it is currently. An April 1 due date for the previous year's activity enables the utility to gather all required data and review it properly for accuracy. Otherwise, a report submitted on January 31 would be incomplete and require supplemental material provided at a later date. In addition, Section R14-2-2710 requires that the Annual Report describe compliance with the Clean Energy Implementation Plan (R14-2-2704(B)) in the previous calendar year, however the Annual Report in this Section is due in 2022 which is several years before the initial Clean Energy Implementation Plan is approved in 2024. Therefore, this Section's Annual Report should be due April 1, 2025. The Companies will otherwise continue to provide its Annual Report per the existing rules.

As a result, the Companies are proposing the following modifications to the Article below[4]:

R14-2-2710. Electric Utility Annual Reporting Requirements

[4] Conforming changes are identified in the attached redline of the Draft Rules (**Exhibit 1**).

A. An Electric Utility shall, by ~~January 31~~ April 1 of each year, beginning on ~~January 31~~ April 1, 2025~~2~~, file with the Commission a report that describes its compliance with subsection R14-2-2704(B) in the previous calendar year, which shall include the following information:

The Companies appreciate the opportunity to provide these recommendations.

Exhibit 1

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 2. CORPORATION COMMISSION- FIXED UTILITIES

ARTICLE 23. NET METERING

R14-2-2302. Definitions

For purposes of this Article, the following definitions apply unless the context requires otherwise:

1. No change
2. No change.
    a. No change.
    b. No change.
    c. No change.
    d. No change.
        i. No change.
        ii. No change.
        iii. No change.
    e. No change.
    f. No change.
    g. No change.
    h. No change.
    i. No change.
    j. No change.
        i. No change.
        ii. No change.
        iii. No change.
        iv. No change.
    k. No change.
        i. No change.
        ii. No change.
        iii. No change.
    l. No change.

i. No change.

ii. No change.

iii. No change.

iv. No change.

3. No change.

a. No change.

b. No change.

c. No change.

d. No change.

e. No change.

f. No change.

g. No change.

h. No change.

i. No change.

ii. No change.

iii. No change.

4. No change.

5. No change.

6. No change.

7. No change.

8. No change.

9. No change.

10. No change.

11. No change.

12. "Net Metering Customer" means any Arizona Customer who:

a. Chooses ~~chooses~~ to take electric service in the manner described in the definition of Net Metering in subsection (11), and

b. Is a Customer of an Electric Utility ~~underthe~~ that has a Net Metering tariff for which the Customer is eligible~~, as described in R14-2-2307~~.

13. No change.

a. No change.

b. No change.

c. No change.

d. No change.

e. No change.

14. No change.

a. No change.

b. No change.

c. No change.

d. No change.

e. No change.

f. No change.

15. No change.

16. No change.

R14-2-2307. Net Metering Tariff

A. If an Electric Utility has a Net Metering tariff, the ~~The~~ Net Metering tariff shall specify standard rates for annual purchases of remaining credits from Net Metering Facilities and may specify total utility capacity limits. If total utility capacity limits are included in the tariff, such limits must be fully justified.

B. Electric utilities may include seasonally and time of day differentiated Avoided Cost rates for purchases from Net Metering Customers, to the extent that Avoided Costs vary by season and time of day.

ARTICLE 27. ENERGY RULES

R14-2-2701. Definitions

In this Article, unless otherwise specified:

1. "Action Plan" means the first five years of a Load-Serving Entity's Commission approved Resource Portfolio.
2. "Affiliated" means related through ownership of voting securities, through contract, or otherwise in such a manner that one entity directly or indirectly controls another, is directly or indirectly controlled by another, or is under direct or indirect common control with another entity.
3. "Aggregation" means the operation of two or more Distributed Storage systems under a Tariff established pursuant to R14-2-2713.

4. "Aggregator" means any person other than an Electric Utility that coordinates the operation of two or more Distributed Storage systems under a Tariff pursuant to R14-2-2713.
5. "All-Source Request for Information" or "ASRFI" means a process wherein a Utility solicits information from market participants to address the Utility's resource and Reliability needs.
6. "All-Source Request for Proposals" or "All-Source RFP" means a process wherein the Utility solicits open all-source bids from market participants to address the Utility's resource and Reliability needs.
7. "Approval" means Commission authorization to take an action or implement a plan, but is not a determination that the action to be taken or the implementation of a plan is prudent for the purposes of ratemaking or cost recovery.
8. "Baseline Carbon Emissions Level" means a Utility's annual gross Carbon Emissions ~~directly~~ associated with energy used to serve retail kWh sales ~~produced~~ from all ~~Generating Units~~resources, including market purchases ~~used to serve its kWh sales~~, during the consecutive three-calendar-year period of 2016 to 2018 expressed in metric tons.
9. "Benchmark" means to calibrate against a known set of values or standards.
10. "Btu" means British thermal unit.
11. "Capacity" means the nameplate rating of a Generating Unit.
12. "Capacity Factor" means the ratio of power produced by a Generating Unit in a given period of time compared to the maximum amount it could generate in the same period of time without interruption.
13. "Carbon Emissions" means carbon dioxide emissions resulting from the combustion of fossil fuels, such as coal, petroleum, natural gas, oil, shale, and bitumen, in a Generating Unit, expressed in metric tons.
14. "Clean Energy" means energy produced by a Clean Energy Resource.
15. "Clean Energy Implementation Plan" means an Electric Utility's plan, filed with the Commission, for meeting the goals and standards of this Article.
16. "Clean Energy Resource" means a technology that operates with zero net emissions beyond that of steam including:
    a. A Renewable Energy Resource;
    b. A Demand-Side Resource; or

c. A Nuclear Power Generator that produces energy using nuclear fusion or fission and any reactor type approved by the United States Nuclear Regulatory Commission.

17. "Coincident Peak" means the maximum aggregate sum of system demand within a specific time period.
18. "Commission" means the Arizona Corporation Commission.
19. "Conventional Energy Resource" means a Generating Unit that is not a Clean Energy Resource.
20. "Cooperative" means a Utility that is:
    a. Not operated for profit; and
    b. Owned and controlled by its members.
21. "Cost-Effective" means "prudently invested," as defined by R14-2-103(A)(3)(l) and determined in a rate case under A.A.C. R14-2-103.
22. "Customer" means the individual or entity in whose name service is rendered to a single contiguous field, location, or facility.
23. "Customer Class" means a subset of Customers categorized according to similar characteristics, such as:
    a. Amount of energy consumed;
    b. Amount of demand placed on the energy supply system at the system peak;
    c. Hourly, daily, or monthly load pattern;
    d. Primary type of activity engaged in by the Customer, such as residential, commercial, industrial, agricultural, or governmental; or
    e. A specific geographical location.
24. "Decommission" means to safely and economically remove a Generating Unit from service.
25. "Demand Response" means modification of Customers' energy consumption patterns, affecting the timing or quantity of Customer demand and usage, achieved through intentional actions taken by a Utility or the Customer.
26. "Demand-Side Management" or "DSM" means the beneficial reduction in the Total Cost of meeting energy service needs by reducing or shifting the time of energy usage.
27. "Demand-Side Resource" means any DSM Measure, DSM Program, Demand Response-based mechanism, Energy Efficiency-based mechanism, or Load Management-based mechanism.
28. "Dispatchable Resource" means an electric power system resource for which power output supplied to the electric grid can be turned on and off or otherwise adjusted on demand.

29. "Distributed Generation" means any type of electrical Generating Unit, including all inverter(s) and protective, safety, and associated equipment necessary to produce electric power, that is located on the Distribution System or any subsystem of the Distribution System, or behind the Customer meter.
30. "Distributed Storage" means an Energy Storage System that is located on the Distribution System or any subsystem of the Distribution System, or behind the Customer meter.
31. "Distribution System" means the infrastructure constructed, maintained, and operated by a Utility to deliver service at the distribution level (69 kV or less) to its Customers.
32. "DSM Measure" means any material, device, technology, educational program, pricing option, practice, or facility alteration designed to result in reduced peak demand, increased Energy Efficiency, or shifting of energy consumption to off-peak periods.
33. "DSM Program" means a Utility program provided as part of a single offering to its Customers and designed to implement:
    a. One or more DSM Measures;
    b. Demand Response; or
    c. Energy Efficiency.
34. "Electric Utility" means a public service corporation under Arizona Constitution, Article 15, § 2, providing electric service to the public in Arizona.
35. "Emergency" means an unforeseen and unforeseeable condition that:
    a. Does not arise from a Utility's failure to engage in Good Utility Practice;
    b. Is temporary in nature; and
    c. Threatens Reliability or poses another significant risk to the system.
36. "End Use" means the final application of energy, for activities such as, but not limited to, heating, cooling, running an appliance or motor, an industrial process, or lighting.
37. "Energy Efficiency" means the production or delivery of an equivalent level and quality of End Use electric or Gas service using less energy, or the conservation of energy by a Customer.
38. "Energy Efficiency Report" means a Utility's plan to implement Demand-Side Resources.
39. "Energy Losses" means the quantity of energy generated or purchased that is not available for sale for End Use, for resale, or for use by a Utility.
40. "Energy Storage System" means equipment capable of storing generated energy and providing a means to discharge that energy at a later time.

41. "Environmental Benefits" means any avoided costs for compliance with regulatory requirements for, and any reduced adverse impacts to the environment from mitigating or eliminating acts such as:
    a. Water use and water contamination;
    b. Storage and disposal of solid waste;
    c. Burning fossil fuels; and
    d. Producing fuels and energy.
42. "Federal Poverty Level" means the U.S. federal poverty guideline for the pertinent household size published annually in the Federal Register by the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, and available at https://aspe.hhs.gov/poverty-guidelines.
43. "Gas" means either natural gas or propane.
44. "Gas Utility" means a public service corporation under Arizona Constitution, Article 15, § 2, providing Gas services to the public in Arizona and classified as Class A according to R14-2-103(A)(3)(q).
45. "Generating Unit" means a specific device or set of devices that converts one form of energy, such as mechanical, thermal, or chemical energy, into electricity, excluding energy conversion related to an Energy Storage System.
46. "Good Utility Practice" means any of the practices, methods, and acts engaged in or approved by a significant portion of the energy industry during the relevant time period, or any of the practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with Reliability, safety, efficiency, and expedition. Good Utility Practice is not intended to be limited to the optimal practice, method, or act to the exclusion of all others, but rather to include practices, methods, or acts generally accepted in the region at the relevant time.
47. "Heat Rate" means a measure of Generating Unit thermal efficiency expressed in Btu per net kWh and computed by dividing the total Btu content of fuel used for electric generation by the total kWh of energy generated.
48. "Impacted Communities" means cities, towns, counties, communities, tribes, census designated areas, and non-incorporated geographic areas that will be negatively affected, financially or

socially, by the closure of Conventional Energy Resources or mining facilities, located in or near their jurisdictions, that have been a source of economic income and employment.

49. "Incremental Benefits" means amounts saved by a Utility through avoiding costs for fuel, purchased power, new Capacity, transmission, distribution, and other cost items necessary to provide electric service or Gas service, as applicable, along with Environmental Benefits.
50. "Independent Monitor" means a Person that is not Affiliated with a Utility and that is selected to oversee the conduct of a competitive procurement process.
51. "Integrated Resource Plan" or "IRP" means a Load-Serving Entity's plan to meet forecasted annual peak and energy demand through a combination of Supply-Side and Demand-Side Resources in accordance with this Article and applicable laws and regulations that constrain resource selection.
52. "Interruptible Service" means power made available under an agreement that permits curtailment or cessation of delivery by the supplier.
53. "In-Service Date" means the date a resource becomes available for use by a Utility.
54. "Kilowatt-hour" or "kWh" means the electric energy equivalent to the amount of electric energy delivered in one hour when delivery is at a constant rate of one kilowatt.
55. "Limited-Income Customer" means:
    a. A residential Customer with annual household income at or below 250 percent of the Federal Poverty Level; or
    b. A residential Customer with annual household income at or below a percentage of the Federal Poverty Level higher than 250 percent, as established by an Electric Utility in a Commission-approved Tariff.
60. "Load Forecast" means an estimate or projection of a Utility's electric loads and the factors that affect those loads, designed to determine, as accurately as possible, the Utility's future demand for energy and Capacity.
61. "Load Management" means actions taken or sponsored by a Utility to reduce peak demands or improve system operating efficiency, such as:
    a. Utilizing an Energy Storage System;
    b. Educational campaigns to encourage Customers to shift loads; or
    c. Direct control by the Utility of Customer demands through Interruptible Service.
62. "Load-Serving Cooperative" means a Load-Serving Entity that is a Cooperative.

63. "Load-Serving Entity" means an Electric Utility that is not a distribution cooperative and that provides energy generation service and operates or owns, in whole or in part, a Generating Unit or Generating Units with aggregate Capacity of at least 50 megawatts.
64. "Maintenance" means the repair of generation, transmission, distribution, administrative, and general facilities; replacement of minor items; and installation of materials to preserve the efficiency and working condition of facilities.
65. "Operate" means to manage or otherwise be responsible for the production of energy by a Generating Unit, whether that Generating Unit is owned by the operator, in whole or in part, or by another Person.
66. "Person" means an individual, partnership, corporation, limited liability company, governmental agency, or other organization operating as a single entity.
67. "Production Cost" means the variable operating costs and Maintenance costs of producing energy through generation plus the cost of purchases of power sufficient to meet a Utility's demand.
68. "Reliability" means a measure of the ability of a Load-Serving Entity's generation, transmission, or Distribution System to provide power without failures, reflecting the portion of time that a system is unable to meet demand or the kilowatt-hours of demand that could not be supplied.
69. "Renewable Energy" means energy produced by a Renewable Energy Resource.
70. "Renewable Energy Resource" means a source of energy conforming to R14-2-2703.
71. "Request for Proposals" or "RFP" means to solicit proposals through a bidding process.
72. "Reserve Requirements" means the Capacity that a Load-Serving Entity must maintain in excess of its peak load to provide for scheduled Maintenance, forced outages, unforeseen loads, Emergencies, system operating requirements, and any agreement to provide backup Capacity to another Load-Serving Entity.
73. "Resource Planning Advisory Council" or "RPAC" means the group of interested Persons formed by a Load-Serving Entity as required by R14-2-2705(A)(2), unless the Load-Serving Entity is a Load-Serving Cooperative, in which case "Resource Planning Advisory Council" or "RPAC" means the Load-Serving Cooperative's Board of Directors.
74. "Resource Portfolio" means the combination of selected Supply-Side Resources and Demand-Side Resources to be used over a forecasted 15-year period to meet electric demand in a safe, reliable, and efficient manner, taking into consideration the factors set forth in R14-2-2708(C) and (D).

75. "Spinning Reserve" means the Capacity a Load-Serving Entity must maintain connected to the system and ready to deliver power promptly in the event of an unexpected loss of generation source, expressed as a percentage of peak load, a percentage of the production Capacity of the largest Generating Unit, or in fixed megawatts.
76. "Staff" means individuals working for the Commission, whether as employees or through contract.
77. "Supply-Side Resource" means a resource that provides a supply of energy, Capacity, or grid services to a Utility.
78. "Tariff" means a document setting forth requirements related to an Electric Utility's service, such as rates and charges, other terms and conditions of service, available program offerings, or any combination of these that have been approved by the Commission.
79. "Total Cost" means all capital, operating, Maintenance, fuel, and Decommissioning costs, plus the costs associated with mitigating any adverse environmental effects in the provision or conservation of electric energy.
80. "Utility" means an Electric Utility or Gas Utility.

R14-2-2702. Applicability

This Article applies to each Utility that has more than half of its Customers located in Arizona.

R14-2-2703. Renewable Energy Resources

A. The following are Renewable Energy Resources:

1. A Biogas Electric Generator, which produces energy using as fuel Gas derived from any of the following and produces zero net life-cycle Carbon Emissions:
   a. Plant-derived organic matter;
   b. Animal waste;
   c. A wastewater treatment facility using anaerobic digestion;
   d. An oxidation process; and
   e. Another gasification process that produces energy;
2. A Biopower Electric Generator, which uses as fuel any of the following raw or processed plant-derived organic matter available on a renewable basis and that has zero net life-cycle Carbon Emissions:
   a. Agricultural food and feed crops;
   b. Agricultural crop wastes and residues;

c. Wood wastes and residues, including landscape waste, right-of-way tree trimmings, or small diameter forest thinnings that are 12" in diameter or less;
d. Dead and downed forest products;
e. Aquatic plants;
f. Animal wastes;
g. Vegetative waste materials;
h. Non-hazardous plant matter waste material that is segregated from other waste;
i. Forest-related resources, such as harvesting and mill residue, pre-commercial thinnings, slash, and brush;
j. Miscellaneous waste, such as waste pellets, crates, and dunnage; and
k. Recycled paper fibers that are no longer suitable for recycled paper production;

3. A Geothermal Generator, which uses heat from within the earth's surface to produce energy;
4. A Hydropower Facility, which generates energy using:
   a. A low-head, micro hydro run-of-the-river system that does not require any new damming of the flow of the stream;
   b. An existing dam without requiring a new dam, diversion structures, or a change in water flow that will adversely impact fish, wildlife, or water quality;
   c. A new dam without adversely impacting fish, wildlife, or water quality; or
   d. Canals or other irrigation systems;
5. A Landfill Gas Generator, which produces energy using pipeline-quality methane gas obtained from landfills;
6. Solar Energy Resources, which use sunlight or solar heat to produce energy with either photovoltaic devices or solar thermal electric devices; and
7. A Wind Generator, which produces energy using a mechanical device that is driven by wind.

B. Upon application, or upon its own initiative, the Commission may determine, by order, that an additional technology is a Renewable Energy Resource if the technology uses naturally replenishing materials or processes to produce energy and has Environmental Benefits.

R14-2-2704. Clean Energy Implementation Plan

A. An Electric Utility shall, by April 1 every third year, beginning April 1, 2023, file with the Commission, for Approval, a Clean Energy Implementation Plan describing how the Electric Utility intends to comply with this Article.

B. Through its Clean Energy Implementation Plan, an Electric Utility shall achieve the following:

1. By January 1, 2030, a Load-Serving Entity's ~~resource~~ Resource ~~portfolio~~Portfolio shall include a Demand-Side Resource Capacity equal to at least 35% of the Load-Serving Entity's 2020 peak demand;
2. For each three-year planning period, Utilities shall propose DSM programs that include traditional Energy Efficiency, Demand Response, and other programs that focus on reducing overall energy usage, peak demand management, and load shifting, in accordance with the following:
   a. Utility performance shall be based on both megawatt-hour energy savings and megawatt Capacity reductions;
   b. Utilities must average at least 1.3% annual Energy Efficiency measured by megawatt-hour savings over the three-year planning period, without carrying over energy savings credits from programs implemented before January 1, 2021;
   c. The portfolio of DSM measures must include rate-enabled, load-shifting technologies, including Demand Response, that provide Customer bill savings and clean energy benefits; and
   d. Utilities shall propose programs and expected peak load reductions in their filings for review and Approval by the Commission;
3. By December 31, 2035, the installation of Energy Storage Systems with an aggregate Capacity equal to at least 5% of the Electric Utility's 2020 peak demand, of which at least 40% shall be derived from Customer-owned or Customer-leased Distributed Storage; and
4. A 100% reduction in Carbon Emissions below its Baseline Carbon Emissions Level with the following corresponding interim standards:

Calendar Year	**Reduction from Baseline Carbon Emissions Level**
~~January 1,~~ 2032	At least 50%
~~January 1,~~ 2040	At least 75%
~~January 1,~~ 2050	100%

C. An Electric Utility shall include in its Clean Energy Implementation Plan, at minimum, the following information:

1. An Executive Summary of its Clean Energy Implementation Plan;

2. A summary of actions to be taken for the next three calendar years to meet the requirements of subsection (B), including:
   a. Projected monthly Coincident Peak demand and energy consumption, disaggregated by Customer Class;
   b. A schedule of each Renewable Energy Resource and Clean Energy Resource to be added;
   c. For each Renewable Energy Resource and Clean Energy Resource:
      i. The technology type;
      ii. A description of the kW and kWh to be obtained;
      iii. Whether the resource is used to meet subsection B(3);
      iv. The estimated Total Cost per kWh and per year; and
      v. A description of the method by which each resource is to be obtained, such as self-build, Customer installation, or RFP; and
   d. A schedule for the retirement of each Generating Unit that produces Carbon Emissions;
3. For the previous three calendar years:
   a. Monthly Coincident Peak demand and energy consumption, disaggregated by Customer Class;
   b. The monthly kWh sales from Clean Energy Resources, disaggregated by Clean Energy Resource and Customer Class;
   c. Total kWh obtained from Clean Energy Resources and Renewable Energy Resources, disaggregated by technology type;
   d. Total kWh obtained to meet subsection (B)(3);
   e. Total kW of generation Capacity, disaggregated by technology type;
   f. Total Costs per kwh to serve retail load and cents per kW of generating Capacity, disaggregated by technology type;
   g. A description of the Electric Utility's competitive procedures for choosing Clean Energy Resources, including justification concerning how those competitive procedures are fair and unbiased and how they have been appropriately applied;
   h. Total Carbon Emissions, disaggregated; and
   i. Total Carbon Emission reductions from Baseline Carbon Emissions Level;
4. A summary of each program developed by the Electric Utility to encourage Customer adoption of an Energy Storage System that is paired with Distributed Generation installed on the Customer's premise; and

5. An Energy Efficiency Report, in accordance with R14-2-2711, with a description of each Demand-Side Resource used toward the Electric Utility's Clean Energy Implementation Plan or, if no Demand-Side Resource was used, an explanation why no Demand-Side Resource was used.

D. In its Clean Energy Implementation Plan, an Electric Utility shall demonstrate its ability to deliver energy from Clean Energy Resources and Renewable Energy Resources to its Customers by providing documentation of:

1. The transmission rights to deliver energy from Clean Energy Resources or Renewable Energy Resources to the Electric Utility's system, if applicable;
2. A control area operator scheduling the energy from Clean Energy Resources or Renewable Energy Resources for delivery to the Electric Utility's system, if applicable; or
3. For an Energy Storage System used to meet subsection (B)(3), the source of the energy that is being used to charge the Energy Storage System.

E. An Electric Utility's Baseline Carbon Emissions Level shall be the average annual metric tons of Carbon Emissions from all Generating Units used to meet the Electric Utility's retail kWh sales, during the consecutive three-calendar-year period of 2016 to 2018.

F. Within 210 days after the effective date of this Article, an Electric Utility shall provide to the Commission for review its proposed Baseline Carbon Emissions Level and verification from an independent third-party that the Carbon Emissions identified in its Baseline Carbon Emissions Level are accurate, along with any supplemental information and work papers used to make that determination.

G. An interested Person shall file with the Commission, within 60 days after an Electric Utility provides to the Commission its Baseline Carbon Emissions Level under subsection (F), any objection to the proposed Baseline Carbon Emissions Level.

H. After receiving an objection, or on its own initiative, the Commission may engage in a process to determine and approve the Baseline Carbon Emissions Level for an Electric Utility.

I. If no interested Person objects to the Electric Utility's Baseline Carbon Emissions Level, and the Commission does not establish a process to determine and approve the Baseline Carbon Emissions Level for the Electric Utility under subsection (H), the Electric Utility's Baseline Carbon Emissions Level shall become effective 120 days after it is filed with the Commission as required by subsection (F~~G~~).

J. An Electric Utility shall consult with Staff regarding the identity of organizations or consultants that could serve as an independent third-party to verify that an Electric Utility's identified Carbon Emissions are accurate.

K. Staff shall issue a notice identifying each organization or consultant that could serve as an independent third-party to verify an Electric Utility's identified Carbon Emissions.

L. Within 10 days after retaining an independent third-party to verify its identified Carbon Emissions, an Electric Utility shall file with the Commission a written notice of such retention.

M. If an Electric Utility's Clean Energy Implementation Plan does not contain sufficient information to allow Staff to analyze the submission fully for compliance with this Article, Staff shall request additional information from the Electric Utility, which may include the data used in the Electric Utility's analyses, and shall request an order from the Commission that the Electric utility shall fund an independent consultant to be selected by Staff to assist in Staff's analysis of the Clean Energy Implementation Plan.

N. Staff shall, within ~~120~~ 240 days after the Clean Energy Implementation Plan is filed, file a memorandum and proposed order for the Commission's consideration.

O. Within 60 days after the memorandum and proposed order is filed by Staff, the Commission shall consider the proposed order at an open meeting.

R14-2-2705. Development of Proposed Load Forecast and Needs Assessment

A. To develop a Load Forecast and Needs Assessment, a Load-Serving Entity shall:

1. Prepare at least five alternative 15-year Load Forecasts and Needs Assessments, which shall include:
   a. A Load Forecast and Needs Assessment showing the load growth expected by the Load-Serving Entity based on available data,
   b. A Load Forecast and Needs Assessment showing the load growth expected by the RPAC based on available data,
   c. A Load Forecast and Needs Assessment showing no load growth,
   d. A Load Forecast and Needs Assessment showing lower than expected load growth, and
   e. A Load Forecast and Needs Assessment showing higher than expected load growth;
2. To facilitate stakeholder participation throughout the resource planning process, form an RPAC, in compliance with subsection (B);

3. Supply the RPAC all data and information used by the Load-Serving Entity in the development of its Load Forecast and Needs Assessment, which shall include, but not be limited to, modeling assumptions, outputs, and methodologies used;
4. Respond to data requests from RPAC members pursuant to the requirements of A.A.C. R14-3-101 and specific Commission orders regarding discovery;
5. Meet with the RPAC in a workshop environment to obtain input on the validity of each alternative Load Forecast and Needs Assessment and recommendations for the Load Forecast and Needs Assessment to be proposed to the Commission; and
6. After good faith consideration of the input and recommendations received from the RPAC, refine the Load Forecast and Needs Assessment.

B. In forming an RPAC, a Load-Serving Entity shall ensure that the RPAC includes a diverse range of interested Persons, including but not limited to:

1. Representatives from public interest groups,
2. A consumer advocate or advocacy group,
3. An advocate or advocacy group representing Limited-Income Customers,
4. A member of the public at large,
5. A representative of each Customer Class served by the Load-Serving Entity,
6. An environmental advocate, and
7. A representative from each of the following industries:
   a. Renewable Energy,
   b. Energy Efficiency or DSM,
   c. Energy storage, and
   d. Electric vehicles.

R14-2-2706. Load Forecast and Needs Assessment Approval

A. A Load-Serving Entity shall, by August 1 of every third year, beginning with August 1, 2021, file with the Commission, in a new docket, a request for Approval of Load Forecast and Needs Assessment, which shall include the refined Load Forecast and Needs Assessment created under R14-2-2705 and all of the data and information used to develop the refined Load Forecast and Needs Assessment, including but not limited to the modeling assumptions, outputs, and methodologies used.

B. Staff shall, within 90 days after the request for Approval is filed:

1. Analyze the Load Forecast and Needs Assessment,

2. Schedule at least one Commission workshop at which input regarding the Load Forecast and Needs Assessment can be provided by interested Persons,
3. Provide the public notice of each Commission workshop at least through a filing in the docket and posting on the Commission's website, and
4. Accept input regarding the Load Forecast and Needs Assessment at least through one Commission workshop and written comments.

C. Within ~~30~~ 60 days after the final Commission workshop, Staff shall file a memorandum and proposed order recommending a Load Forecast and Needs Assessment to be used for the Load-Serving Entity.

D. Within ~~30~~ 60 days after the memorandum and proposed order is filed, the Commission shall consider the proposed order at an open meeting.

E. The Commission shall issue a decision approving a Load Forecast and Needs Assessment to be used in the Load-Serving Entity's ASRFI. In this decision, the Commission may state the minimum amount of load that shall be served through Cost-Effective Energy Efficiency and may state the minimum amount of load that shall be served through Clean Energy, Renewable Energy, Distributed Generation, Distributed Storage, and Cost-Effective Demand-Side Resources.

R14-2-2707. All Source Request for Information

A. After its Load Forecast and Needs Assessment are approved by the Commission, a Load-Serving Entity shall develop an ASRFI, which shall be:

1. Designed to obtain ~~bids~~ information from numerous and diverse vendors of Supply-Side Resources and Demand-Side Resources that may be able to meet all or any part of the Load-Serving Entity's Load Forecast and Needs Assessment approved under R14-2-2706;
2. Designed to enable Demand-Side Resources and Supply-Side Resources to compete on equal footing and not limited to Dispatchable Resources;
3. Designed to meet the needs and system requirements developed in the approved Load Forecast and Needs Assessment as safely and reliably as possible, while prioritizing the factors set forth under R14-2-2708(C);
4. Technology neutral;
5. Fuel neutral;
6. Location neutral, except for compliance with R14-2-2708(C);
7. Size neutral;
8. Vendor neutral; and

9. Designed to provide notice to ~~bidders~~ vendors that RPAC members will be able to review the ~~bids~~ information resulting from the ASRFI.

B. After developing draft language for its ASRFI, a Load-Serving Entity shall:

1. Provide copies of the draft ASRFI language to the RPAC members;
2. Meet with the RPAC in a workshop environment to obtain input on the draft ASRFI language and recommendations for any changes; and
3. After good faith consideration of the input and recommendations received from the RPAC, refine the ASRFI language.

C. A Load-Serving Entity shall file the refined ASRFI language, created under subsection (B)(3), with the Commission.

D. Within 30 days after a Load-Serving Entity files its refined ASRFI language, Staff shall file a notice that the refined ASRFI language is either in compliance with subsection (A) or is deficient. If the refined ASRFI language does not comply with subsection (A), Staff and the Load-Serving Entity shall attempt in good faith to reach agreement on refined ASRFI language that complies with subsection (A).

E. If Staff and the Load-Serving Entity are unable to reach agreement on the Load-Serving Entity's refined ASRFI language, the following shall occur:

1. Staff shall, within 60 days after receiving the Load-Serving Entity's refined ASRFI language, file a Memorandum and Proposed Order recommending ASRFI language that complies with subsection (A) to be used by the Load-Serving Entity;
2. Within 30 days after the Memorandum and Proposed Order is filed, the Commission shall consider the Proposed Order at an Open Meeting; and
3. The Commission shall issue a decision approving ASRFI language that complies with subsection (A) to be used by the Load-Serving Entity.

F. If Staff determines that the ASRFI language is in compliance with subsection (A), or if Staff and the Load-Serving Entity are able to reach agreement on the ASRFI language's compliance with subsection (A), but an RPAC member disagrees with the ASRFI language, the RPAC member may, within five days after Staff files its notice of compliance, file a request for review of the ASRFI language by the Commission. In a request for review of the ASRFI language, the RPAC member shall propose alternative ASRFI language that complies with subsection (A).

G. If the Commission chooses to review ASRFI language pursuant to a request made under subsection (F), the Commission, within 45 days of the RPAC member's filed request for review, shall:

1. Consider the Load-Serving Entity's ASRFI language and the proposed alternative ASRFI language at an open meeting, and
2. Issue a decision approving ASRFI language that complies with subsection (A) to be used by the Load-Serving Entity.

R14-2-2708. ASRFI Process; Integrated Resource Plan Approval

A. A Load-Serving Entity shall conduct its ASRFI process using the ASRFI language determined to be in compliance with this Article, or as otherwise ordered by the Commission.

B. After the ASRFI ~~bid~~ submission deadline has passed, a Load-Serving Entity shall:

1. Review and consider ~~each bid~~ RFIinformation submitted to satisfy all or any part of the Load-Serving Entity's approved Load Forecast and Needs Assessment, taking into account the provisions of subsection (C);
2. Formulate a draft Integrated Resource Plan that includes a preferred Resource Portfolio and at least two alternative Resource Portfolios, describing all of the energy resources the Load-Serving Entity believes should be used to meet its 15-year Load Forecast and Needs Assessment, and provides any supplemental data and analyses used in justifying its choices; and
3. After developing a draft Integrated Resource Plan:
   a. Provide copies of the draft Integrated Resource Plan to the RPAC members;
   b. Meet with the RPAC in a workshop environment to obtain input on the draft Integrated Resource Plan and recommendations for any changes; and
   c. After good faith consideration of the input and recommendations received from the RPAC, refine the Integrated Resource Plan.

C. When determining the resources to include in its refined Integrated Resource Plan, a Load-Serving Entity shall prioritize the following:

1. Meeting the requirements of the Clean Energy Implementation Plan created under R14-2-2704;
2. Minimizing the cost of providing electric energy service to Customers through a combination of Supply-Side Resources and Demand-Side Resources that will result in the lowest overall, lifetime costs to meet Customers' energy needs safely and reliably; and
3. Giving preferential treatment to Renewable and Clean Energy Resources sited or deployed in Impacted Communities.

D. In addition to the factors created in subsection (C), when determining the resources to include in its refined Integrated Resource Plan to provide the lowest overall, lifetime costs to meet its Load Forecast and Needs Assessment safely and reliably, meet the Clean Energy Implementation Plan set forth under R14-2-2704, and minimize the cost of providing electric energy service to Customers, a Load-Serving Entity may also consider factors that have a reasonable nexus to ratemaking, such as, but not limited to, the following:

1. Improving system Reliability and resiliency;
2. Providing adequate service to customers;
3. Diversifying fuel supplies and technologies;
4. Stabilizing the electric power supply;
5. Decreasing peak demand;
6. Decreasing demand during hours when the price per kWh for Customers is highest;
7. Providing opportunities for additional savings;
8. Improving the economic utilization of new and existing resources;
9. Reducing the need to build new transmission to support the new resources;
10. Reducing the risk of losing transmission to natural disaster or other unanticipated events;
11. Improving the efficiency of the transmission grid;
12. Reducing the costs associated with complying with local, state, and federal regulations;
13. Improving grid security and the personal health and safety of patrons and employees;
14. Meeting the demand for electricity in the least costly way to society;
15. Providing Environmental Benefits or reducing environmental impacts, such as, but not limited to, benefits and impacts regarding air and water pollution, emissions, ground water and surface water pollution and consumption, recyclability of resources and of resources' respective parts and components, and the carbon footprint and environmental impacts and benefits of each resource's full lifecycle and supply chain and of the full lifecycles and supply chains of each of the resource's respective parts and components;
16. Providing economic benefits or reducing negative economic impacts, such as, but not limited to, benefits and impacts related to economic development, job creation or retention, customer growth or retention, location or jurisdiction of manufacture, location or jurisdiction of the source of the resource's respective parts and components, and the development of new technologies, innovations, or pilot programs;

17. Minimizing the occurrence or appearance of anti-competitive behavior and self-dealing between Electric Utilities and Affiliated interests;
18. Benefitting Impacted Communities; and
19. Serving the Public Interest.

E. A Load-Serving Entity shall, by ~~August~~ April 1 of every third year, beginning with ~~August~~ April 1, 2023, file with the Commission, in the docket created for the Load Forecast and Needs Assessment, the refined Integrated Resource Plan language created under subsection (B)(3). The Load-Serving Entity shall include in its filing any additional data or analyses that it believes Staff or the Commission will find useful in considering the Integrated Resource Plan and shall provide to Staff and the Commission any additional information requested after the initial filing.

F. Staff shall, within ~~90~~ 180 days after the Integrated Resource Plan is filed:

1. Analyze the Integrated Resource Plan, prioritizing the factors set forth in subsection (C);
2. Schedule at least one Commission workshop at which input regarding the Integrated Resource Plan can be provided by interested Persons;
3. Provide the public notice of each Commission workshop at least through a filing in the docket and posting on the Commission's website; and
4. Accept input regarding the Integrated Resource Plan through at least ~~through~~ one Commission workshop and written comments.

G. Within ~~30~~ 60 days after the final Commission workshop, Staff shall file a memorandum and proposed order recommending a Resource Portfolio for use by the Load-Serving Entity, which shall either:

1. Recommend a Resource Portfolio that prioritizes the factors set forth in subsection (C); or
2. If the memorandum and proposed order does not recommend a Resource Portfolio that prioritizes the factors set forth in subsection (C), then:
   a. Explain why the Memorandum and proposed order recommends a Resource Portfolio that does not prioritize the factors set forth in subsection (C), and
   b. Identify the factors set forth in subsection (D) that the recommended Resource Portfolio prioritizes instead.

H. Within ~~30~~ 60 days after the Memorandum and proposed order is filed, the Commission shall consider the proposed order at an open meeting.

I. The Commission shall issue a decision approving a Resource Portfolio to be implemented by the Load-Serving Entity.

J. Staff may hire one or more consultants, as necessary, to meet the obligation and timelines of R14-2-2704 through R14-2-2708. The Commission may order the Load-Serving Entity to fund an independent consultant to be selected by Staff to assist in Staff's analysis.

R14-2-2709. Implementation of Action Plan

A. A Load-Serving Entity shall implement the Action Plan approved for it by the Commission and, except as permitted by this Article, utilize an All-Source RFP process to procure resources per the Commission approved Action Plan.

B. A Load-Serving Entity shall report the results of its All-Source RFP process in an annual Procurement Activity Report.

C. A Load-Serving Entity shall include any request to update its Action Plan in its annual Procurement Activity Report.

D. Within 60 days after receiving a Load-Serving Entity's request to update its Action Plan, the Commission shall issue:

1. An order of Approval of the Load-Serving Entity's request to update its Action Plan; or
2. An order denying the Load-Serving Entity's request to update its Action Plan.

E. A Load-Serving Entity that determines, during the implementation period for its most recently approved Action Plan, that the Load-Serving Entity will be unable to implement any portion of the Action Plan due to circumstances beyond the Load-Serving Entity's control, shall file with the Commission, in a new docket, notification of the circumstances preventing implementation along with any appropriate request for extension or waiver under R14-2-2716.

R14-2-2710. Electric Utility Annual Reporting Requirements

A. An Electric Utility shall, by ~~January 31~~April 1 of each year, beginning on ~~January 31~~April 1, 2025~~2~~, file with the Commission a report that describes its compliance with subsection R14-2-2704(B) in the previous calendar year, which shall include the following information:

1. The actual kWh of energy produced within its service territory or obtained from Clean Energy Resources and Renewable Energy Resources;
2. The kW of generation Capacity, disaggregated by technology type;
3. Cost information regarding cents per actual kWh of energy obtained from Clean Energy Resources and Renewable Energy Resources and cents per kW of generation Capacity, disaggregated by technology type;

4. The total Capacity of Demand-Side Resources with comparison to the Load-Serving Entity's 2020 peak demand;
5. The total Carbon Emissions disaggregated by all ~~Generating Units~~portfolio resources used to serve the Electric Utility's retail ~~to serve its~~ kWh sales, expressed in metric tons;
6. The aggregate Capacity of installed Energy Storage Systems; and
7. The aggregate Capacity of Customer-owned or Customer-leased Distributed Storage.

B. A Load-Serving Entity shall, by January 31 of each year, beginning on January 31, 2022, file with the Commission a report that shall include the following items of Demand-Side Resource data, including for each item for which no record is maintained the Load-Serving Entity's best estimate and a full description of how the estimate was made:

1. Average hourly demand for the previous calendar year, disaggregated by:
   a. Sales to end users;
   b. Sales for resale;
   c. Energy Losses; and
   d. Other disposition of energy, such as energy furnished without charge and energy used by the Load-Serving Entity;
2. Coincident Peak demand and energy consumption by month for the previous calendar year, disaggregated by Customer Class;
3. Average number of annual Customers by Customer Class for each of the previous calendar year; and
4. Reduction in load (kilowatt and kilowatt-hours) in the previous calendar year due to existing DSM Measures, by type of DSM Measure.

C. A Load-Serving Entity shall, by ~~January 31~~April 1 of each year, beginning ~~January 31~~April 1, 2022, file with the Commission a report that shall include the following items of Supply-Side Resource data, including for each item for which no record is maintained the Load-Serving Entity's best estimate and a full description of how the estimate was made:

1. For each Generating Unit and purchased power contract for the previous calendar year:
   a. In-Service Date and the expected time period or contract period during which the Supply-Side Resource will be available for use by the Load-Serving Entity;
   b. The type of Generating Unit or contract;

c. The Load-Serving Entity's share of the Generating Unit's Capacity, or of Capacity under the contract, in megawatts;
d. The maximum Generating Unit or contract Capacity, by hour, day, or month, if such Capacity varies during the year;
e. The annual Capacity Factor;
f. The average Heat Rate of the Generating Unit and, if available, its Heat Rates at specified output levels;
g. The average fuel cost for the Generating Unit, in dollars per million Btu for each type of fuel;
h. Other variable operating and Maintenance costs for the Generating Unit, in dollars per megawatt hour;
i. The purchased power energy costs for each contract exceeding three calendar years, in dollars per megawatt-hour;
j. The fixed operating and Maintenance costs of the Generating Unit, in dollars per megawatt;
k. The demand charges for purchased power;
l. The fuel type for each Generating Unit;
m. The minimum Capacity at which the Generating Unit would be run, or purchased power is needed, if applicable;
n. Whether, under standard operating procedures, the Generating Unit must be run if it is available to run;
o. The description of each Generating Unit as base load, intermediate, or peaking;
p. The environmental impacts, including air emission quantities (in metric tons or pounds) and rates (in quantities per megawatt-hour) for carbon dioxide, nitrogen oxides, sulfur dioxide, mercury, particulates, and other air emissions subject to current or expected future environmental regulation;
q. The water consumption quantity and rate; and
r. The amount of coal ash (by ton) produced per Generating Unit;

2. For each Supply-Side Resource in the previous calendar year:
   a. A description of Generating Unit commitment procedures;
   b. Production Costs;
   c. Reserve Requirements;
   d. Spinning Reserve;

e. Reliability of the generating, transmission, and Distribution Systems;

f. Purchase and sale prices, averaged by month, for the aggregate of all purchases and sales-related contracts with a duration of less than three calendar years; and

g. Energy Losses;

3. The total Capacity of Distributed Generation in the Load-Serving Entity's service area for the previous calendar year; and

4. An explanation of any resource procurement processes undertaken by the Load-Serving Entity during the previous calendar year that did not include use of an RFP, including the exception under which the process was used.

D. A Load-Serving Entity shall file, by May 1 of each year, beginning May 1, 2024, an annual Procurement Activity Report that specifies, at a minimum, the following:

1. The procurement activities the Load-Serving Entity plans to undertake in the following calendar year to effectuate its Commission-approved Action Plan,

2. All associated cost information related to the Load-Serving Entity's planned procurement activities, and

3. A timeline describing each planned procurement activity.

R14-2-2711. Electric Energy Efficiency

A. An Electric Utility shall include in its Energy Efficiency Report the following information regarding the Demand-Side Resources used by the Electric Utility:

1. A list of the Electric Utility's current Demand-Side Resources, disaggregated by Customer Class;

2. For each Demand-Side Resource:

a. A brief description;

b. The purpose, objectives, and savings targets;

c. For the previous three calendar years, disaggregated by year, if applicable:

i The level of Customer participation;

ii. The Total Cost incurred, disaggregated by type of cost, such as administrative costs, rebates, and monitoring costs;

iii. A description and the results of evaluation and monitoring activities;

iv. Savings realized, in an appropriate metric (kW, kWh, therms, or Btu);

v. The Environmental Benefits realized, including reduced emissions and water savings;

vi. Incremental Benefits and net benefits, in dollars;

vii. Performance-incentive calculations; and

viii. Problems encountered and proposed solutions;

d. A description of any modifications proposed for the next three calendar years; and

e. Whether the Electric Utility proposes to terminate the Demand-Side Resource and, if so, the proposed date of termination; and

3. A description of the findings from any research projects ordered by the Commission and completed during the previous three calendar years.

B. An Electric Utility shall include in its Energy Efficiency Report any new Demand-Side Resources proposed to be implemented by the Electric Utility in the next three calendar years, and for each Demand-Side Resource shall include:

1. A brief description; and
2. The purpose, objectives, and savings targets.

C. An Electric Utility shall design each Demand-Side Resource:

1. To be Cost-Effective; and
2. To accomplish at least one of the following:
   a. Provide Energy Efficiency,
   b. Manage energy consumption,
   c. Reduce peak demand, or
   d. Alter Customer energy consumption behavior.

D. An Electric Utility shall consider the following when planning and implementing a Demand-Side Resource:

1. Whether the Demand-Side Resource will achieve Cost-Effective energy savings and peak demand reductions;
2. Whether the Demand-Side Resource will advance market transformation and achieve sustainable savings, reducing the need for future market interventions;
3. Whether the Electric Utility can ensure a level of funding adequate to sustain the Demand-Side Resource and allow the Demand-Side Resource to achieve its targeted goal; and
4. Whether the Electric Utility can allocate a portion of the Demand-Side Resource specifically to Limited-Income Customers.

E. An Electric Utility shall provide an opportunity for all Electric Utility Customer Classes to participate in the Demand-Side Resources, with a portion specifically allocated for Limited-Income Customers.

F. An Electric Utility shall monitor and evaluate each Demand-Side Resource to determine whether it is Cost-Effective and otherwise meets expectations and shall report any unintended consequences to the Commission in its Energy Efficiency Report.

G. An Electric Utility may recover the costs that it incurs in planning, designing, implementing, and evaluating a Demand-Side Resource if the Commission approves such cost recovery for the Electric Utility in a rate case.

H. Staff may request an Electric Utility to perform analyses of a specified Demand-Side Resource to comply with this Article.

R14-2-2712. Gas Energy Efficiency

A. A Gas Utility shall, by April 1 every third year, beginning April 1, 2023, file with the Commission, for Approval, an Energy Efficiency Report describing each Demand-Side Resource designed to reduce Coincident Peak and energy demand, disaggregated by Customer Class, or, if no Demand-Side Resource was used or is proposed to be implemented, an explanation why no Demand-Side Resource was used or is proposed to be implemented.

B. For each Demand-Side Resource, a Gas Utility shall specify if the Demand-Side Resource is:

1. Proposed to be implemented by the Gas Utility during the next three calendar years;
2. Currently implemented by the Gas Utility; or
3. Proposed to be modified or discontinued by the Gas Utility.

C. A Gas Utility shall include in its Energy Efficiency Report the following information regarding the Demand-Side Resources used by the Gas Utility:

1. A list of the Gas Utility's current Demand-Side Resources, disaggregated by Customer Class;
2. For each Demand-Side Resource:
    a. A brief description;
    b. The purpose, objectives, and savings targets;
    c. For the previous three calendar years, disaggregated by year, if applicable:
        i The level of Customer participation;
        ii. The Total Cost incurred, disaggregated by type of cost, such as administrative costs, rebates, and monitoring costs;
        iii. A description and the results of evaluation and monitoring activities;
        iv. Savings realized, in an appropriate metric (kW, kWh, therms, or Btu);
        v. The Environmental Benefits realized, including reduced emissions and water savings;

vi. Incremental Benefits and net benefits, in dollars;

vii. Performance-incentive calculations; and

viii. Problems encountered and proposed solutions;

d. A description of any modifications proposed for the next three calendar years; and

e. If the Gas Utility proposes to terminate the Demand-Side Resource, the proposed date of termination; and

3. A description of the findings from any research projects ordered by the Commission and completed during the previous three calendar years.

D. A Gas Utility shall design each Demand-Side Resource:

1. To be Cost-Effective; and
2. To accomplish at least one of the following:
   a. Provide Energy Efficiency,
   b. Manage energy consumption,
   c. Reduce peak demand, or
   d. Alter Customer energy consumption behavior.

E. A Gas Utility shall consider the following when planning and implementing a Demand-Side Resource:

1. Whether the Demand-Side Resource will achieve Cost-Effective energy savings and peak demand reductions;
2. Whether the Demand-Side Resource will advance market transformation and achieve sustainable savings, reducing the need for future market interventions;
3. Whether the Gas Utility can ensure a level of funding adequate to sustain the Demand-Side Resource and allow the Demand-Side Resource to achieve its targeted goal; and
4. Whether the Gas Utility can allocate a portion of the Demand-Side Resource specifically to Limited-Income Customers.

F. A Gas Utility shall provide an opportunity for all Gas Utility Customer Classes to participate in the Demand-Side Resources, with a portion specifically allocated for Limited-Income Customers.

G. A Gas Utility shall monitor and evaluate each Demand-Side Resource to determine whether it is Cost-Effective and otherwise meets expectations and report any unintended consequences to the Commission in its Energy Efficiency Report.

H. A Gas Utility may recover the costs that it incurs in planning, designing, implementing, and evaluating a Demand-Side Resource if the Commission approves such cost recovery for the Gas Utility in a rate case.

I. Staff may request a Gas Utility to perform analyses of a specified Demand-Side Resource to comply with this Article.

R14-2-2713. Energy Storage System Tariffs

A. Within 120 days after the effective date of this Article, an Electric Utility shall file with the Commission, for Approval, one or more Tariffs and one or more programs that:

1. Establish an incentive program, such as a one-time, upfront incentive, that encourages Customers, including Limited-Income Customers, to purchase or lease Distributed Storage in exchange for the Customer's participation in a Demand Response or other program offered by the Electric Utility; and
2. Establish one or more values for providing compensation to or crediting Customers, Limited-Income Customers, and Aggregators for operational attributes such as, but not limited to, Capacity, Demand Response, demand reduction, load shifting, locational value, voltage support, other ancillary and grid services, Electric Utility control, and any additional operating attributes the Commission may recognize, in order to encourage Customers, Limited-Income Customers, and Aggregators to purchase or lease, or engage in Aggregation of Distributed Storage.

B. An Electric Utility's Energy Storage System Tariff shall not require that a Customer's Energy Storage System be associated with Distributed Generation.

R14-2-2714. Independent Monitor Selection and Responsibilities

A. When a Load-Serving Entity contemplates engaging in an RFP process, the Load-Serving Entity shall consult with Staff regarding the identity of companies or consultants that could serve as Independent Monitor for the RFP process.

B. After consulting with Staff, a Load-Serving Entity shall create a vendor list of three to five candidates to serve as Independent Monitor and shall file the vendor list with the Commission to allow interested Persons time to review and file objections to the vendor list.

C. An interested Person shall file with the Commission, within 30 days after a vendor list is filed with the Commission, any objection that the interested Person may have to a candidate's inclusion on a vendor list.

D. Within 60 days after a vendor list is filed with the Commission, Staff shall issue a notice identifying each candidate on the vendor list that Staff considers to be qualified to serve as Independent Monitor for the contemplated RFP process. In making its determination, Staff shall consider the experience of the candidates, the professional reputation of the candidates, and any objections filed by interested Persons.

E. A Load-Serving Entity may retain any of the candidates identified in Staff's notice as an Independent Monitor for the contemplated RFP process.

F. A Load-Serving Entity shall file with the Commission a written notice of its retention of an Independent Monitor.

G. A Load-Serving Entity is responsible for paying the Independent Monitor for its services and may charge a reasonable bidder's fee to each bidder in the RFP process to help offset the cost of the Independent Monitor's services.

H. At least one week prior to the RFP deadline for submitting bids, a Load-Serving Entity shall provide the Independent Monitor a copy of any bid proposal prepared by the Load-Serving Entity or an entity Affiliated with the Load-Serving Entity and a copy of any Benchmark-based costs or reference cost the Load-Serving Entity has developed for use in evaluating bids. The Independent Monitor shall take steps to secure the Load-Serving Entity's or Affiliated entity's bid proposal and any Benchmark-based costs or reference cost so that they are inaccessible to any bidder.

R14-2-2715. Confidential Information

A. If a Utility believes that a reporting requirement pursuant to this Article may result in disclosure of confidential business data or confidential energy infrastructure information, the Utility shall file with the Commission:

1. A public version of the reporting requirement pursuant to this Article, from which all data or information considered to be confidential has been redacted; and
2. A request to submit the data or information that is considered to be confidential to Staff pursuant to a confidentiality agreement, which request shall cite each statute, rule, court opinion, or other basis supporting the confidential treatment of the data or information.

B. Data and information protected by a confidentiality agreement shall not be filed with the Commission and shall not be open to public inspection or otherwise made public except upon an order of the Commission entered after written notice to the Utility and upon a finding of good cause for disclosure.

R14-2-2716. Waivers and Exemptions

A. The Commission may waive compliance with any provision of this Article or exempt a Utility from complying with any provision in this Article upon a finding that good cause exists for granting such waiver or exemption and that it will not harm the public interest.

B. A Utility requesting an exemption or waiver of any provision in this Article shall file with the Commission an application that includes, at a minimum:

1. The reasons why the burden of compliance with the Article, or the specific provision in the Article for which exemption is requested, exceeds the potential benefits to Customers that would result from compliance with the provisions pursuant to this Article;
2. Data supporting the Electric Utility's or Gas Utility's assertions as to the burden of compliance and the potential benefits to Customers that would result from compliance; and
3. The reasons why the public interest would be served or would not be harmed by the requested exemption.

C. A Load-Serving Entity shall comply with R14-2-2707(A), R14-2-2708(A), and R14-2-2709(A), unless one of the following exceptions applies:

1. The Load-Serving Entity is experiencing an Emergency;
2. The Load-Serving Entity needs to make a short-term acquisition to maintain system Reliability and that acquisition is for a period of no more than 24 months from the time executed;
3. The Load-Serving Entity needs to acquire short term economic purchases for 15 months or less, or other components of energy procurement, such as fuel, fuel transportation, or transmission;
4. The transaction presents the Load-Serving Entity a genuine, unanticipated opportunity to acquire a power supply resource at a clear and significant discount, compared to the cost of acquiring new Generating Units, and will provide unique value to the Load-Serving Entity's Customers; or
5. The Load-Serving Entity is adding Capacity or energy from newly constructed Supply-Side Resources with a net total nameplate rating of not more than 25 megawatt per year and 100 megawatt per five-year planning cycle, with projects supporting Renewable Energy and Energy Storage System deployment prioritized over adding or supporting Conventional Energy Resource Capacity.

D. If the Commission later determines that the Load-Serving Entity was not entitled to invoke one of the exceptions of subsection (C), the Commission shall not allow cost recovery of the Load-Serving Entity's actions related to such an event.

R14-2-2717. Cooperatives

A. A Cooperative or Load-Serving Cooperative shall employ best reasonable efforts in accordance with Good Utility Practice to comply with the applicable provisions of this Article.

B. Upon Commission Approval of a distribution cooperative's Clean Energy Implementation Plan describing the Cooperative's existing and planned Clean Energy Resources and Renewable Energy Resources and programs utilized to meet the Cooperative's retail load, the provisions of the Clean Energy Implementation Plan shall substitute for the requirements set forth in this Article.

C. A Load-Serving Cooperative shall submit to the Commission a limited Integrated Resource Plan filing containing whatever information, data, criteria, and studies the Load-Serving Cooperative has used in its analysis to meet electric demand in a safe, reliable, and efficient manner over a forecasted 15-year period of time.

D. Upon Commission Approval of a Load-Serving Cooperative's Integrated Resource Plan, including its Action Plan, its provisions shall substitute for the requirements set forth in this Article.

E. In preparing its Integrated Resource Plan, a Load-Serving Cooperative shall meet with and consider the input of an RPAC.

R14-2-2718. Cost Recovery and Prudency

A. A Utility may request to recover its costs to comply with this Article in a rate case, in whole or in part.

B. Recovery of the costs requested by a Utility under subsection (A) shall be allowed only if the Commission determines that the costs are prudent.

C. A Utility's Commission-approved cost recovery mechanisms and programs associated with the Commission's prior renewable energy and energy efficiency rules shall remain in effect until the Commission issues a decision in a future rate case in which the Utility receives cost recovery and program Approval, if applicable, for requirements associated with this Article.